

*New Number*

*#13*

ELIAS C. ALVORD (1942)  
ELLSWORTH C. ALVORD (1964)

ROBERT W. ALVORD\*  
CHARLES T. KAPPLER  
JOHN H. DOYLE\*  
RICHARD N. BAGENSTOS  
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\* ALSO ADMITTED IN NEW YORK  
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16427  
RECORDATION NO. \_\_\_\_\_ FILED 1423

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July 13, 1989

INTERSTATE COMMERCE COMMISSION

9-194A047

Ms. Noreta R. McGee  
Secretary  
Interstate Commerce Commission  
Washington, D.C. 20423

Dear Ms. McGee:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are two fully executed original copies of a Security Agreement dated as of July 12, 1989, a primary document as defined in the Commission's Rules for the Recordation of Documents, 49 C.F.R. Section 1177.

The names and addresses of the parties to the enclosed document are:

Debtor: ACF Industries, Incorporated  
3301 Rider Trail South  
Earth City, Missouri 63045

Secured  
Party: Pitney Bowes Credit Corporation  
201 Merritt Seven  
Norwalk, Connecticut 06856

A description of the railroad equipment covered by the enclosed document is set forth in Schedule A attached hereto and made a part hereof.

Also enclosed is a check in the amount of \$13 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Kindly return a stamped copy of the enclosed document to Charles T. Kappler, Esq., Alvord and Alvord, 918 Sixteenth Street, N.W., Washington, D.C. 20006.

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JUL 13 1989

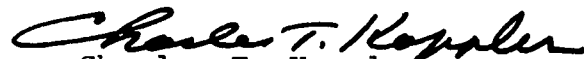
*Charles T. Kappler*

Ms. Noreta R. McGee  
Secretary  
Interstate Commerce Commission  
July 13, 1989  
Page Two

A short summary of the enclosed primary document to  
appear in the Commission's Index is:

Security Agreement dated as of July 12, 1989 between  
ACF Industries, Incorporated, Debtor, and Pitney  
Bowes Credit Corporation, Secured Party, covering  
124 railcars bearing ACFX marks and numbers.

Very truly yours,

  
Charles T. Kappler

Enclosures

SCHEDULE A

EQUIPMENT

ACF INDUSTRIES, INCORPORATED

<u>CAR COUNT</u>	<u>CAR NUMBERS</u>	<u>AAR DESIGNATION</u>
100	ACFX 41501 - 41600	C214
16	ACFX 41823	C214
	ACFX 41848	
	ACFX 41850	
	ACFX 41854	
	ACFX 41857 - 41858	
	ACFX 41862 - 41865	
	ACFX 41869	
	ACFX 41871 - 41874	
	ACFX 41876	
8	ACFX 65858 - 65862	C414
	ACFX 65865 - 65866	
	ACFX 65869	

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INTERSTATE COMMERCE COMMISSION

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SECURITY AGREEMENT

BETWEEN

ACF INDUSTRIES, INCORPORATED

DEBTOR

AND

PITNEY BOWES CREDIT CORPORATION

SECURED PARTY

Dated as of July <sup>12</sup> 7, 1989

MC JF

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SECURITY AGREEMENT

12  
July 7, 1989 (the "Security Agreement") between ACF Industries, Incorporated, a New Jersey corporation (the "Debtor") and Pitney Bowes Credit Corporation, a Delaware corporation (the "Secured Party"), parties to the Term Loan Agreement (the "Loan Agreement") dated as of July 7<sup>th</sup>, 1989, as the same may be amended, modified or supplemented from time to time.

RECITALS

(A) Pursuant to the terms of the Loan Agreement and subject to conditions therein set forth, the Secured Party has agreed to make a loan to the Debtor in the principal amount of \$5,034,247.00 (the "Secured Loan").

(B) The principal of and interest on the Secured Loan and all additional amounts and other sums at any time due and owing from or required to be paid by Debtor under the terms of the Loan Agreement with respect to the Secured Loan, the Note of the Debtor issued pursuant thereto or this Security Agreement are hereinafter sometimes referred to as "Indebtedness Hereby Secured."

Section 1. DEFINITIONS

1.1 Terms defined in the preamble hereof shall have their respective meanings when used herein and as used herein, the following terms shall have the meanings herein specified unless the context otherwise requires. Capitalized terms used but not defined here shall have the meanings assigned to them in the Loan Agreement. Defined terms in this Security Agreement shall include in the singular number the plural and in the plural number the singular.

"AAR" shall mean the Association of American Railroads.

"AAR Destroyed Value" shall have the meaning specified in Section 6.1(c) hereof.

"Assigned Leases" shall have the meanings specified in Section 2.2 hereof.

"Assigned Lease Proceeds" shall have the meaning specified in Section 2.2 hereof.

"Casualty Loss" shall have the meaning specified in Section 5.2.

"Casualty Loss Proceeds" shall have the meaning specified in Section 5.2.

"Collateral" shall have the meaning specified in Section 2 hereof.

"Cost" shall mean, when used with respect to Equipment not built by the Debtor or any affiliate of the Debtor, the actual cost to the Debtor thereof and, with respect to Equipment built by the Debtor or any such affiliate, shall mean "car builder's cost", including direct cost of labor and material and overhead.

"Debtor" shall mean ACF Industries, Incorporated.

"Equipment" shall have the meaning specified in Section 2.1.

"ICA" shall mean the Interstate Commerce Act, as amended.

"Indebtedness Hereby Secured" shall have the meaning specified in the second recital hereof.

"Item of Equipment" shall have the meaning specified in Section 2.1 hereof.

"Lien" shall have the meaning specified in Section 3.3 hereof.

"Loan Agreement" shall mean the Term Loan Agreement dated as of July 7<sup>th</sup>, 1989 between the parties of this Security Agreement, as the same may be amended, supplemented or modified from time to time.

"Permitted Lien" shall have the meaning specified in Section 3.3 hereof.

"Replacement Unit" shall have the meaning specified in Section 5.2(a) hereof.

"Secured Loan" shall have the meaning specified in the first recital hereof.

"Secured Party" shall mean Pitney Bowes Credit Corporation, a Delaware corporation.

"Security Agreement" shall mean this Security Agreement as specified in the first paragraph hereof.

"UCC" shall mean the Uniform Commercial Code as in effect in the State of New York unless otherwise specified.

"Value" shall mean, with respect to an Item of Equipment subject to a Casualty Loss, the lesser of (a) the fair market value thereof at the time the Casualty Loss occurred with respect to such Item of Equipment or (b) the Cost of such Items of Equipment less [1/10] of such Cost for each year elapsed between the date such Item of Equipment was first put into use and the date on which the Casualty Loss occurred.

## Section 2. SECURITY

Grant of Security. The Debtor, in consideration of the premises and of the sum of Ten Dollars received by the Debtor from the Secured Party and other good and valuable consideration, receipt and sufficiency whereof is hereby acknowledged, and in order to secure the payment of the principal of and interest on the Note according to its tenor and effect, and to secure the payment of all other Indebtedness Hereby Secured and the performance and observance of all covenants and conditions contained in the Loan Agreement, the Security Agreement, the Note and any related documents and agreements, does hereby transfer, convey, warrant, mortgage, deliver, pledge, assign, and grant to the Secured Party, its successors and assigns, a lien on and continuing security interest in, all and singular of the Debtor's present and future rights, title and interest in and to the properties, rights, interests and privileges described in Sections 2.1, 2.2 and 2.3 hereof (all of which properties are hereinafter collectively referred to as the "Collateral").

2.1 Equipment Collateral. Collateral includes certain railroad tank cars and covered hopper cars described on Schedule A hereto (collectively the "Equipment" or "Items of Equipment" and individually an "Item of Equipment") together with all accessories, equipment, parts and appurtenances appertaining or attached to such Equipment, whether now owned or hereafter acquired, and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to any and all of said Equipment, together with all the accounts, chattel paper, contract rights, guaranties, bonds, insurance, deposit accounts, rents, issues, income, profits and avails therefrom and the proceeds thereof.

2.2 Rental Collateral. Subject to the Debtor's right to retain possession of the original Assigned Leases (as hereinafter defined) as described in Section 4 hereof, collateral also includes all present and future right, title and interest of Debtor in and to each and every lease at any time relating to the Equipment but to and only to the extent relating to the Equipment (each such portion of such lease being an "Assigned Lease"), and all payments due and to become due under any Assigned Lease, whether as contractual obligations, damages

or otherwise with respect to the Equipment (the "Assigned Lease Proceeds").

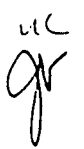
2.3 Additional Collateral. Collateral also includes any certificates of deposit pledged, or otherwise transferred or assigned, by the Debtor to the Secured Party pursuant to Section 5.2, together with all replacements and proceeds thereof.

### Section 3. COVENANTS AND WARRANTIES OF THE DEBTOR

The Debtor covenants, warrants and agrees with the Secured Party until the Secured Loan is paid in full that:

3.1 Debtor's Duties. The Debtor shall perform, abide by and be governed by each and all of the terms, provisions, covenants and agreements set forth in this Security Agreement, the Loan Agreement and the Note and in each and every supplement thereto or amendment thereof which may at any time or from time to time to be executed and delivered by the parties thereto or their successors and assigns, to the same extent as though each and all of said terms, provisions, covenants, amendments or supplements to the Loan Agreement were fully set out in an amendment or supplement to this Security Agreement. For the original term of any initial assigned lease the Debtor shall cause the following legend to be placed upon each Assigned Lease and shall not allow such legend to be altered, defaced, covered or removed without the prior written consent of the Secured Party:

"This Lease, or a portion thereof is subject to the terms of a Security Agreement and a Term Loan Agreement by and between ACF INDUSTRIES, INCORPORATED and PITNEY BOWES CREDIT CORPORATION, each dated as of July 2<sup>nd</sup>, 1989."



### 3.2 Maintenance; Operation and Insurance.

(a) The Debtor at its own expense shall maintain and keep or cause to be maintained and kept each Item of Equipment in good order and repair at its or the lessee's own cost and expense.

(b) The Debtor shall operate or cause each lessee to operate each Item of Equipment exclusively within the territory of the United States of America and Canada.

(c) The Debtor will maintain or cause to be maintained with responsible insurance companies, such insurance on such of its properties, in such amounts and against such risks as is customarily maintained by similar businesses, and in any event, in an amount not less than the full insurable value of the Equipment. For the purpose of this Section 3.2(c), insurance may include self-insurance



provided the Debtor maintains or causes to be maintained adequate reserves to cover the risks not otherwise insured. Within 30 days after the end of each fiscal quarter of the Debtor, the Debtor shall furnish to the Secured Party a certificate of the President or Treasurer of the Debtor evidencing the maintenance of the insurance described in this subparagraph (c).

3.3 Preservation of Collateral. The Debtor will, at its expense, warrant and defend the title to the Collateral against all claims and demands of all third persons or persons claiming by, through or under the Debtor. The Debtor will not create, assume or suffer to exist any Lien on the Collateral other than Permitted Liens (as hereinafter defined) and shall promptly take such action as is reasonably necessary to remove any Lien that is not a Permitted Lien. As used herein, "Lien" shall mean any mortgage, pledge, security interest, encumbrance, lease, lien or charge of any kind, whether voluntary or involuntary (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement and the filing of or agreement to give any financing statement under the Interstate Commerce Act ("ICA") or the Uniform Commercial Code ("UCC") of any jurisdiction). As used herein, "Permitted Liens" shall mean (a) the Lien created by this Security Agreement and the Assigned Leases; (b) the Lien of taxes, assessments or governmental charges or levies which are not at the time due; and (c) the Lien of taxes (including without limitation ERISA liens), assessments or governmental charges or levies which are delinquent but the amount or the validity of which is being contested in good faith by appropriate action if the Debtor shall have set aside on its books such reserves as deemed by the Secured Party appropriate and adequate in accordance with generally accepted accounting principles, provided that such proceeding shall suspend the collection of such taxes, assessments or governmental charges and, the security interest in the Collateral, or any part thereof, would not be adversely affected or forfeited during the period of such contest; (d) Liens incurred and pledges and deposits made in connection with worker's compensation, unemployment insurance, old-age pensions and other social security or retirement benefits or similar legislation or in connection with public or statutory obligations of the Borrower or any of its Subsidiaries; (e) Liens created by statute (other than those described in clauses (b), (c), and (d) above), arising in the ordinary course of business of the Debtor with respect to obligations which are not delinquent or being contested in good faith, provided that, if delinquent, adequate reserves have been set aside with respect thereto and, by reason of nonpayment, no Collateral is subject to a risk of loss or forfeiture; (f) mechanics', materialmen's, suppliers', warehousemen's and similar Liens for services and materials for which payment is not overdue or the payment of which is being contested in good faith by appropriate proceedings; and (g) a Lien consented to in writing by the Secured Party.

3.4 Further Assurances. The Debtor will, at its expense, do, execute, acknowledge and deliver all and every further acts, deeds, conveyances, transfers, waivers, subordinations and assurances deemed necessary for the continued perfection of the security interest in the Collateral, whether now owned or hereafter acquired.

3.5 Recordation and Filing. The Debtor will cause this Security Agreement and any supplements hereto, and all financing and continuation statements and similar notices required by applicable law, at all times to be kept, recorded and filed at no expense to the Secured Party with the ICC and any other federal, state or local filing authority in order fully to preserve and protect the rights of the Secured Party hereunder, and will at its own expense furnish to the Secured Party promptly after the execution and delivery of this Security Agreement and any supplements thereto, opinions of counsel for the Debtor, which opinions shall be in form and substance satisfactory to the Secured Party and cover the matters set forth in paragraphs (e), (f), (g) and (h) of Exhibit C to the Loan Agreement, in accordance with the terms of such Exhibit C.

3.6 Power of Attorney. The Debtor does hereby irrevocably constitute and appoint the Secured Party, upon the occurrence and during the continuance of an Event of Default, its true and lawful attorney with full power of substitution for it and in its name, place and stead, to ask, demand, collect, receive, receipt for and sue for any and all Assigned Lease Proceeds hereof with full power to settle, adjust or compromise any claim thereunder as fully as the Debtor could itself do, and to endorse the name of the Debtor on all commercial paper given in payment or in part payment thereof, and in its discretion to file any claim or take any other action or proceedings, either in its own name or in the name of the Debtor or otherwise, which the Secured Party may deem necessary or appropriate to protect and preserve the right, title and interest of the Secured Party in and to such Assigned Lease Proceeds and the security intended to be afforded hereby.

3.7 Chief Executive Office. The chief executive office of Debtor is located at 3301 Rider Trail South, Earth City, Missouri 63045.

#### Section 4. SPECIAL PROVISIONS CONCERNING LEASES

Until the occurrence of an Event of Default, Debtor may, subject to the following, exercise all of the Debtor's rights, powers, privileges and remedies under the Assigned Leases, including, without limitation, the right to receive any and all monies due or to become due (other than prepayments, which, if received by the Debtor, immediately shall be delivered

to the Secured Party and which shall be applied in the inverse order of maturity to the principal balance outstanding under the Note) under the Assigned Leases, and to retain possession of the original Assigned Leases with duplicate copies having been delivered to Secured Party. Notwithstanding the foregoing, the Debtor shall not amend, modify or alter the terms of any Assigned Lease without the prior written consent of the Secured Party other than amendments, modifications or alterations made in the Debtor's ordinary course of business in connection with Debtor's servicing of the Items of Equipment relating to the Assigned Leases.

## Section 5. POSSESSION AND USE OF EQUIPMENT

5.1 Possession of Collateral. So long as no Event of Default has occurred and is continuing, the Debtor and each lessee party to an Assigned Lease shall be suffered and permitted to remain in full possession, enjoyment and control of the Collateral including without limitation the Assigned Lease itself, and to manage, operate and use the Collateral and each part thereof with the rights and franchises pertaining to the Collateral.

### 5.2 Casualty Loss; Insurance Proceeds.

(a) In the event that at any time prior to occurrence of an Event of Default any Item of Equipment is destroyed, lost, stolen, irreparably damaged or missing for a period in excess of sixty (60) days, taken by any governmental entity (including without limitation condemnation, confiscation, requisition taking of title or use by any governmental entity) or otherwise becomes unusable in the business of the Debtor (a "Casualty Loss") at the option of the Debtor, on or prior to 45 days after the occurrence of such Casualty Loss, either (i) the Debtor shall replace such Item of Equipment with a replacement unit of standard gauge railroad equipment of at least equal value and utility (the "Replacement Unit") and any proceeds in an amount not to exceed the Value of such Item of Equipment payable to the Debtor or to the Secured Party as a result of each such Casualty Loss, whether in respect of insurance proceeds, condemnation awards or otherwise (collectively, "Casualty Loss Proceeds") may be retained by or paid to the Debtor as reimbursement for the costs of such replacement or (ii) the Secured Party may apply the Casualty Loss Proceeds in respect of such Item of Equipment that has been the subject of a Casualty Loss to the payment of the principal balance outstanding under the Note, such payments to be applied in the inverse order of maturity or (iii) provided such Casualty Loss does not exceed 10% of the then outstanding principal balance under the Note, the Debtor shall pledge, transfer and assign to the Secured Party a

certificate of deposit in an amount equal to such Casualty Loss, which certificate of deposit shall be in form and substance and issued by a financial institution acceptable to the Secured Party, provided however, to the extent that the aggregate amount of such Casualty Loss Proceeds is equal to or less than 1% of the principal amount of the Loan, that amount may be retained by Debtor or if received by the Secured Party, reimbursed to Debtor. Except as provided in clause (i) of the preceding paragraph, to the extent that the Debtor shall receive any Casualty Loss Proceeds, such proceeds shall be held in trust for the benefit of the Secured Party and shall be promptly turned over to the Secured Party in the exact form received (except for any necessary endorsements) to be held by the Secured Party as Collateral as aforesaid.

No certificate of deposit pledged to the Secured Party under subsection (a)(iii) or this Section 5.2 shall be released by the Secured Party except to the extent that all or any part of such certificate of deposit is to be applied, in whole or in part, to the Secured Loan, without any premium or penalty. Applications of any prepayment shall be in the Secured Party's discretion.

In the event that an Item of Equipment has been the subject of a Casualty Loss and the Debtor has satisfied the requirements of subsection (a)(iii) of this Section 5.2, the Debtor may at any time substitute a Replacement Unit as provided in subsection (a)(i) of this Section 5.2 and withdraw any certificate of deposit previously pledged to the Secured Party in respect of such Item of Equipment which had been the subject of a Casualty Loss, an interest thereon, provided that if such Item of Equipment also was subject to an Assigned Lease, such Assigned Lease shall continued to be in full force and effect.

(b) Upon the occurrence and during the continuance of any Event of Default, all Casualty Loss Proceeds shall be paid to the Secured Party and applied by the Secured Party as specified in Section 6.

(c) So long as no Event of Default or an event which with the giving of notice or lapse of time or both would constitute an Event of Default shall have occurred and be continuing, upon the request of Debtor, the Secured Party shall execute and deliver releases in a form reasonably satisfactory to Debtor releasing (i) all the Secured Party's interest in and to any Item of Equipment, and (ii) such Item of Equipment from the Lien of this Security Agreement, provided, however, that no Item of Equipment shall be so released unless any related Assigned Lease shall continue in full force and effect and such lessee shall have agreed to such release and, simultaneously there shall be subject to the Lien of this Security Agreement and the interest of the

Secured Party in other Equipment of not less than the aggregate Value of any Item or Items of Equipment to be so released, the Value of which as of the date of such release shall be certified to by an officer of the Debtor. The foregoing shall not be deemed in any way to limit the Debtor's right to purchase or substitute any Replacement Unit in the event of a Casualty Loss or Casualty Losses pursuant to this Section 5.2.

## Section 6. SECURED PARTY'S RIGHTS

6.1 The Secured Party's Rights. The Debtor agrees that when any Event of Default as defined in the Loan Agreement has occurred and is continuing, the Secured Party shall have the rights, options, duties and remedies of a secured party, at law or in equity, including without limitation those rights and remedies of a secured party under the ICA and the UCC (regardless of whether such UCC or a law similar thereto has been enacted in a jurisdiction wherein the rights or remedies are asserted), and the Secured Party shall have the following rights and remedies:

(a) The right, at its option, to accelerate all amounts owing pursuant to the Loan Agreement and the Note.

(b) Upon the occurrence of any Event of Default and during the existence thereof, the Secured Party shall have all the rights of a secured party under the ICA or the UCC to enforce the assignments and security interests contained herein.

(c) The Secured Party personally or by agents or attorneys, shall have the right (subject to compliance with any applicable mandatory legal requirements) to take immediate possession of the Collateral, or any portion thereof, and for that purpose may pursue the same wherever it may be found, and may enter any of the premises of the Debtor, with or without notice, demand, process of law or legal procedure, if this can be done without breach of the peace, and search for, take possession of, remove, keep and store the Collateral including without limitation any and all Assigned Leases, or use and operate or lease the Collateral until sold. Notwithstanding anything hereunder to the contrary, the original Assigned Leases shall remain at the chief executive offices of the Debtor.

(d) Any Collateral repossessed by the Secured Party under or pursuant to this Section may be sold, leased or otherwise disposed of under one or more contracts or as an entirety, and without the necessity of gathering at the place of sale the property to be sold, at public or private

sale, and in general in such manner, at such time or times, at such place or places and on such terms as the Secured Party may, in compliance with any mandatory requirements of applicable law, determine. Any of the Collateral may be sold, leased or otherwise disposed of, in the condition in which the same existed when taken by the Secured Party or after any overhaul or repair which the Secured Party shall determine. To the extent permitted by any requirement of law, the Secured Party may itself bid for and become the purchaser of the Collateral or any item thereof, offered for sale in accordance with this Section without accountability to Debtor (except to the extent of surplus money received). In the payment of the purchase price therefor, the Secured Party shall be entitled to have credit on account of the purchase price thereof of amounts owing to the Secured Party on account of the Indebtedness Hereby Secured and the Secured Party may deliver the claims for interest on or principal of the Secured Loan or other Indebtedness Hereby Secured in lieu of cash. If, under mandatory requirements of applicable law, the Secured Party shall be required to make disposition of the Collateral within a period of time which does not permit the giving of notice to Debtor as hereinabove specified, the Secured Party need give Debtor as herein above specified only such notice of disposition as shall be reasonably practicable in view of such mandatory requirements of applicable law.

(e) The Secured Party may proceed to protect and enforce this Security Agreement by suit or suits or proceedings in equity, at law or in bankruptcy, and whether for the specific performance of any covenant or agreement herein contained or in execution or aid of any power herein granted, or for foreclosure hereunder, or for the appointment of a receiver or receivers for the Collateral or any part thereof, for the recovery of judgment for the Indebtedness Hereby Secured or for the enforcement of any other legal or equitable remedy available under applicable law.

6.2 Effect of Sale. Any sale, whether under any power of sale hereby given or by virtue of judicial proceedings, shall operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Debtor in and to the property sold and shall be a perpetual bar, both at law and in equity, against the Debtor, its successors and assigns, and against any and all persons claiming the property sold, or any part thereof under, by or through the Debtor, its successors or assigns.

6.3 Application of Sale Proceeds. The proceeds of any sale of the Collateral, or any part thereof, and the proceeds of any remedy hereunder shall be paid to and applied as follows:

(a) First, to the payment of costs and expenses of foreclosure or suit, if any, and of such sale, and of all proper expenses, liability and advances, including legal

expenses and reasonable attorneys' fees, incurred or made hereunder by the Secured Party, and of all taxes, assessments or liens superior to the lien of these presents, except any taxes, assessments or other superior lien subject to which said sale may have been made;

(b) Second, to the payment of all amounts owing or unpaid on the Secured Loan for principal and interest and any other amounts then owing under this Security Agreement in respect of the Secured Loan; and

(c) Third, to the payment of the surplus, if any, to the Debtor, its successors and assigns, or to whosoever may be lawfully entitled to receive the same it being understood that Debtor shall remain liable to the Secured Party to the extent of any deficiency.

6.4 Discontinuance of Remedies. In case the Secured Party shall have proceeded to enforce any right under this Security Agreement by foreclosure, sale, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely, then, and in every such case, the Debtor and Secured Party shall be restored to their former positions and rights hereunder with respect to the property subject to the security interest created under this Security Agreement.

6.5 Cumulative Remedies. No delay or omission of the Secured Party to exercise any right or power arising from any default on the part of the Debtor or any lessee, shall exhaust or impair any such right or power or prevent its exercise during the continuance of such default. No waiver by the Secured Party of any such default, whether such waiver be full or partial, shall extend to or be taken to affect any subsequent default, or impair the rights resulting therefrom except as may be otherwise provided herein. The Secured Party may exercise any one or more or all of the remedies hereunder and no remedy is intended to be exclusive of any other remedy but each and every remedy shall be cumulative and in addition to any and every other remedy given hereunder or otherwise existing now or hereafter at law or in equity; nor shall the giving, taking or enforcement of any other or additional security, collateral or guaranty for the payment of the Indebtedness Hereby Secured operate to prejudice, waive or affect the security of this Security Agreement or any rights, powers or remedies hereunder, nor shall the Secured Party be required to first look to, enforce or exhaust such other or additional security, collateral or guaranties.

6.6 Indemnity. The Debtor agrees to indemnify, protect and hold harmless the Secured Party from and against all losses, damages, injuries, liabilities, claims and demands (all the foregoing losses, damages, etc. are the "indemnified liabilities"), and expenses in connection therewith (including, but not limited to, reasonable counsel fees and expenses,

penalties and interest) arising out of or as the result of (i) entering into or the performance of this Security Agreement, the retention by the Secured Party of a security interest in the Collateral, the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or repossession of any of the Equipment or (ii) any accident in connection with the operation, use, condition, possession, storage or repossession of any of the Collateral resulting in damage to property or injury or death to any person during the period while a security interest therein remains in the Secured Party or during the period of the transfer of such security interest in the Collateral by the Secured Party pursuant to any of the provisions of this Security Agreement; provided, however, that the Debtor shall have no obligation to so indemnify the Secured Party for any indemnified liabilities arising from the Secured Party's willful misconduct or gross negligence.

## Section 7. MISCELLANEOUS

7.1 Successors and Assigns. Whenever any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all the covenants, promises and agreements in this Security Agreement contained by or on behalf of the Debtor or by or on behalf of the Secured Party, shall bind and inure to the benefit of the respective successors and assigns of such parties whether so expressed or not. Nothing herein, however, shall allow the Debtor to assign any rights or obligations hereunder without the prior written consent of the Secured Party.

7.2 Partial Invalidity. The unenforceability or invalidity of any provision or provisions of this Security Agreement shall not render any other provision or provisions herein contained unenforceable or invalid.

7.3 Communications. All communications provided for herein shall be in writing and shall be deemed to have been given (unless otherwise required by the specific provisions hereof in respect of any matter) when delivered personally or when deposited in the United States certified mails, first class, postage prepaid, addressed as set forth in the Loan Agreement.

7.4 Termination. This Security Agreement and the security interest granted hereby shall terminate when the Secured Loan has been fully paid, at which time the Secured Party shall, upon written request of the Debtor, execute and deliver to the Debtor all UCC termination statements and such similar documents or instruments which the Debtor shall reasonably request to evidence such termination.



7.5 Governing Law. This Security Agreement shall be construed in accordance with and governed by the laws of the State of New York; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. Section 11303 and such additional rights, arising out of the filing, recording or deposit hereof, if any.

7.6 Counterparts. This Security Agreement may be executed, acknowledged and delivered in any number of counterparts, each of such counterparts constituting an original but all together constituting only one Security Agreement.

7.7 Headings. Any headings or captions preceding the text of the several sections hereof are intended solely for convenience of reference and shall not constitute a part of this Security Agreement nor shall they affect its meaning, construction or effect.

7.8 Costs and Expenses. The Debtor agrees to pay to the Secured Party all costs and expenses, including reasonable attorneys' fees, incurred by the Secured Party in the enforcement of this Security Agreement whether or not an action is filed in connection therewith.

IN WITNESS WHEREOF, the Debtor and the Secured Party have executed this Security Agreement as of the day and year first above written.

DEBTOR:

ACF INDUSTRIES, INCORPORATED

By: Umesh Choksi

Printed Name: UMESH CHOKSI

Title: Assistant Treasurer

SECURED PARTY:

PITNEY BOWES CREDIT CORPORATION

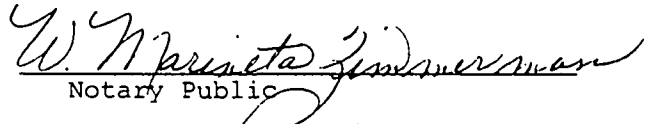
By: John K. Fitzpatrick

Printed Name: JOHN K FITZPATRICK

Title: REGION VICE PRESIDENT


STATE OF MISSOURI     )  
                              ) ss.  
COUNTY OF ST. LOUIS   )

On this 12th day of July, 1989, before me, personally appeared Umesh Choksi, to me personally known, who being by me duly sworn, says that he resides at 2031 Schoettler Valley Drive, Chesterfield, Missouri 63017 and is Assistant Treasurer of ACF Industries, Incorporated; that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors on July 12, 1989; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

  
Notary Public  
W. MARINETA ZIMMERMAN  
NOTARY PUBLIC STATE OF MISSOURI  
ST. CHARLES COUNTY  
MY COMMISSION EXP. APR. 7, 1990  
ISSUED THRU MISSOURI NOTARY ASSOC.

STATE OF MISSOURI     )  
                              ) ss.  
COUNTY OF ST. LOUIS   )

On this 12th day of July, 1989, before me, personally appeared John K. Fitzpatrick, to me personally known, who being by me duly sworn, says that he resides at 24871 El Cortijo Lane, Mission Viejo, California 92691; that the foregoing instrument was signed on behalf of Pitney Bowes Credit Corporation by authority of its Board of Directors on July 12, 1989; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

  
Notary Public  
W. MARINETA ZIMMERMAN  
NOTARY PUBLIC STATE OF MISSOURI  
ST. CHARLES COUNTY  
MY COMMISSION EXP. APR. 7, 1990  
ISSUED THRU MISSOURI NOTARY ASSOC.

# SCHEDULE A

## EQUIPMENT

### ACF INDUSTRIES, INCORPORATED

<u>CAR COUNT</u>	<u>CAR NUMBERS</u>	<u>AAR DESIGNATION</u>
100	ACFX 41501 - 41600	C214
16	ACFX 41823	C214
	ACFX 41848	
	ACFX 41850	
	ACFX 41854	
	ACFX 41857 - 41858	
	ACFX 41862 - 41865	
	ACFX 41869	
	ACFX 41871 - 41874	
	ACFX 41876	
8	ACFX 65858 - 65862	C414
	ACFX 65865 - 65866	
	ACFX 65869	